

UNITED STATES DISTRICT COURT

for the

Eastern District of Michigan

United States of America

v.

Stacy L. McCray, Jr.

Case:2:14-mj-30575

Judge: Unassigned,

Filed: 11-07-2014 At 03:08 PM

RE: SEALED MATTER (EOB)

CRIMINAL COMPLAINT

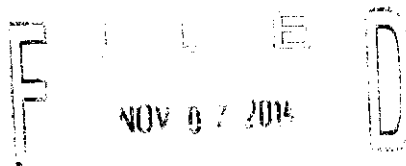
I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of January 9, 2010 - Present in the county of Wayne in the
Eastern District of Michigan, the defendant(s) violated:

*Code Section**Offense Description*

18 U.S.C. Section 641
18 U.S.C. Section 1341

Theft of Government Money
Mail Fraud



CLERK'S OFFICE

This criminal complaint is based on these facts:

See Attached.

☒ Continued on the attached sheet.

Complainant's signature

SA Steve Bognar, Department of Labor

Printed name and title

Sworn to before me and signed in my presence.

Date: November 7, 2014City and state: Detroit, MI

Judge's signature

Hon. David R. Grand, U.S. Magistrate Judge

Printed name and title

AFFIDAVIT

I, Steven Bognar, being duly sworn, depose and state that:

1. I am a Special Agent (SA) of the U.S. Department of Labor, Office of Inspector General (DOL/OIG), and have been so employed since July, 2004. Prior to this assignment, I was employed as an investigator in the Office of Labor Management Standards, U.S. Department of Labor, for 17 years. I am currently assigned to the Detroit Field Office of DOL/OIG. In the course of my employment as a DOL investigator, I have conducted numerous investigations concerning violations of Titles 18 and 29 of the United States Code. I have participated in many criminal investigations involving unemployment insurance (UI) fraud schemes.
2. As a result of my participation in this investigation, your Affiant believes probable cause has been established to show that Stacy Lee McCray, Jr. (McCray) has committed the following offenses: Theft of Federal Funds (Public Money, Property, or Records), in violation of 18 USC 641; and Mail Fraud, in violation of 18 USC 1341.
3. This affidavit is being submitted in support of an Application for the issuance of a Criminal Complaint and an Arrest Warrant for McCray.
4. The facts set forth in this affidavit include information known to me personally, as well as information provided by the State of Michigan Unemployment Insurance Agency.

Because this affidavit is submitted for the sole purpose of supporting an application for the issuance of a Criminal Complaint and Arrest Warrant, it does not necessarily contain all facts discovered in the course of this investigation.

5. The Social Security Act of 1935 initiated the Federal and State Unemployment Insurance (UI) System, designed to provide benefits to persons out of work due to no fault of their own. The purpose of the UI System is to lessen the effects of unemployment through cash payments made directly to laid-off workers, insuring that at least a significant portion of the necessities of life can be met on a week-to-week basis, while the worker seeks employment. In Michigan, the UI System is administered for the Federal government by the Michigan Unemployment Insurance Agency (MUIA). The US Department of Labor funds all administrative costs, including salaries, office expenses, and computer equipment. UI benefits paid to unemployed workers in the private sector are financed by taxes on the employers and supplemented by federal funds appropriated by the U.S. Department of Labor when state benefits are exhausted. A substantial amount of the State of Michigan UIA funds are directly derived through the Federal American Recovery and Reinvestment Act, Emergency Unemployment Compensation (EUC), and/or are otherwise federally subsidized through the U.S. Department of Labor.
6. Normally, a UI claim is initiated by a worker submitting a claim in person, over the telephone, or on the internet. The worker is then required to contact MUIA every two weeks by telephone or internet to certify that he is still unemployed, and actively seeking

work. In order to be eligible for UI benefits, the worker must demonstrate a certain level of earnings in several quarters preceding the application. The amount that must be demonstrated depends on a variety of factors, including the length of the previous employment, and the amount of wages earned. The filing of a UI claim causes MUIA to send notices of determination to the claimant and all reported employers and also a debit card or check to the claimant, all via the U.S. mail.

7. The MUIA Fraud Division and this Agent reviewed fraudulent UI Claims filed wherein employers listed on the claims have filed challenges with the MUIA stating that the individuals never worked for them and individuals listed as claimants have alleged identity theft. Claims were found that include the following information that ties them to McCray:

- a. A UI claim in the name Jamie Porter includes the same email address (mccray1987@yahoo.com) as that used on a claim filed by McCray in his own name. The claim in Porter's name lists the City of Detroit (COD) as the employer. The COD protested the claim in Porter's name on the grounds that Porter never worked for the COD. A total of \$18,100 was paid on the claim before it was stopped by MUIA.
- b. A UI claim in the name Paul Morrow also lists the COD as the employer. Bank ATM Video obtained relative to the use of the debit card associated with the claim clearly shows McCray, wearing a New York Yankees baseball cap, making withdrawals utilizing the card. The COD protested the claim in Morrow's name

on the grounds that Morrow never worked for the COD. A total of \$10,136 was paid on the claim before it was stopped by MUIA.

- c. A UI claim in the name Curtis Wright also lists the COD as the employer. Bank ATM Video obtained relative to the use of the debit card associated with the claim clearly shows McCray, wearing a New York Yankees baseball cap, making withdrawals utilizing the card. The COD protested the claim in Wright's name on the grounds that Wright never worked for the COD. A total of \$16,977 was paid on the claim before it was stopped by MUIA.
- d. A UI claim in the name Ann Mayes had the proceeds directly deposited into Motor City Credit Union (MCCU) account number 50336830. MCCU provided documentation showing that account number 50336830 is held in the name Stacy McCray. MCCU also provided copies of McCray's State of Michigan driver's license and his social security card which were associated with the account. A total of \$4,888 was paid on the claim in Mayes' name.
- e. Fraudulent UI claims with ties to McCray totaling \$159,526 have been identified.


8. On July 12, 2013 McCray was interviewed and provided the following information:

- a. McCray stated that his email address is mccray1987@yahoo.com.
- b. McCray stated that he always wears a New York Yankees baseball cap.
- c. McCray stated that he met "a guy," on the internet who asked him if he wanted to make some money around 2009 or 2010. McCray said that he gave the guy his bank information and the guy made deposits to his account, but the deposits

bounced and Motor City Credit Union closed his account. McCray initially said that he filed a police report when this happened and then said that he did not file a police report. McCray said that he took a \$2000 loss on the deal. McCray stated that he did not recall the name of the "guy" he met on the internet or any additional details regarding this incident.

- d. McCray was advised that there were deposits of \$376 deposited into his bank account every two weeks from July 2009 through January 2010 that represented twenty-six weeks of UI benefits based on a claim in someone else's name. McCray said that he had not noticed those payments and said that it may have happened after the credit union closed his account.

9. Based on the above information, there is probable cause to believe that Stacy Lee McCray, Jr. participated in a scheme to defraud, or steal, funds of the United States of America, in excess of \$1000, and that in furtherance of this scheme, he used the U.S. Postal Service or other common carriers in violation of 18 USC 641 and 18 USC 1341.



STEVEN M. BOGNAR
Special Agent, DOL/OIG

Sworn and subscribed to before me

on this 7th day of October, 2014

HON. David R. Grand
United States Magistrate Judge